



## State of Wisconsin FY 2013-14 Single Audit

### Background

As a condition of receiving federal funds, state agencies must meet the audit requirements of the federal Single Audit Act of 1984, as amended, and of federal Office of Management and Budget (OMB) Circular A-133. The Single Audit Act requires there to be one audit of federal grant programs. This audit also incorporates our annual audit of the State's financial statements, which were included in the [Comprehensive Annual Financial Report \(CAFR\)](#) issued by the Department of Administration (DOA). We performed the single audit for fiscal year (FY) 2013-14 at the request of state agencies that administered federal financial assistance. This audit also assists us in fulfilling our audit responsibilities under s. 13.94, Wis. Stats.

During FY 2013-14, [state agencies administered \\$12.1 billion in federal financial assistance](#), including \$10.7 billion in cash assistance; \$1.2 billion in noncash assistance, such as food commodities; and \$218.1 million in outstanding federal loan balances. We audited [19 federal programs](#) that accounted for 65.2 percent of the federal financial assistance administered by state agencies in FY 2013-14. We evaluated internal controls, tested for compliance with federal requirements, and followed up on findings from the [FY 2012-13 single audit \(report 14-6\)](#).

### Audit Results and Key Findings

We provided [an unmodified opinion on federal compliance](#) for each of the 19 federal programs we reviewed. Although state agencies generally complied with federal requirements, [we questioned more than \\$224,000](#) in costs charged to federal programs.

We also found:

- An award made to the Department of Children and Families (DCF) will be [reduced by \\$4.7 million](#) because the State did not implement corrective actions to meet federal data match requirements. The federal government may also enforce a [\\$4.8 million penalty](#) unless DCF takes appropriate actions by April 2016.
- Communication lapses between the Department of Natural Resources (DNR) and DOA in administration of the [Capitalization Grants for Clean Water State Revolving Funds program](#) resulted in some local units of government having a single audit performed when it was not required.
- Some Perkins Loan program borrowers who attended [UW-Milwaukee](#) did not receive certain communications as required by federal regulations.
- The State could have retained \$1.6 million for use directly on federal grant programs if DOA had better monitored its [centralized services balances](#) and not lapsed funds to the State's General Fund.

### Audit Recommendations

We made 31 recommendations to improve the administration of federal programs, including 20 new recommendations and 11 recommendations to address concerns from the last single audit (report 14-6) that remained unresolved. In addition, our report contains [3 internal control concerns](#) related to our December 2014 audit of the State's financial statements. Agency responses and corrective action plans are included in the report. The federal government will work with state agencies to resolve the concerns we identified.

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